

Honolulu, Hawaii

APR 05 2019

RE: H.B. No. 1561
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1561, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRIBUSINESS DEVELOPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate funds to and ensure the accountability of the Agribusiness Development Corporation.

Specifically, this measure:

- (1) Appropriates funds for the fiscal biennium 2019-2021 operating budget of the Agribusiness Development Corporation;
- (2) Appropriates funds for and requires the Auditor to contract with an accounting firm to conduct a performance audit of the Agribusiness Development Corporation, and authorizes the Auditor to conduct a financial audit of the Agribusiness Development Corporation if sufficient funds are available;
- (3) Requires the Agribusiness Development Corporation to include in its annual report certain information regarding its activities; and



- (4) Requires the Agribusiness Development Corporation to post the annual report to its website.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed Senate Draft No. 2 (Proposed Draft), which amends this measure by:

- (1) Amending the amounts appropriated and number of positions authorized for the Agribusiness Development Corporation;
- (2) Changing the amount appropriated to the Auditor to contract with an accounting firm to conduct a performance audit of the Agribusiness Development Corporation from \$125,000 to an unspecified sum; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee received testimony in support of the Proposed Draft from the Agribusiness Development Corporation; Larry Jefts Farms, LLC; and one individual.

Your Committee received comments on the Proposed Draft from the Office of the Auditor.

Your Committee finds that the information the Agribusiness Development Corporation is required to post online pursuant to this measure will increase government transparency and responsiveness.

Your Committee has amended this measure by adopting the Proposed Draft, and further amending the measure by:

- (1) Inserting a provision requiring that any funds appropriated in the measure for the Agribusiness Development Corporation's operating budget shall be included in the base budget of the Agribusiness Development Corporation;
- (2) Inserting a provision providing that the positions authorized in part II of the measure shall be in

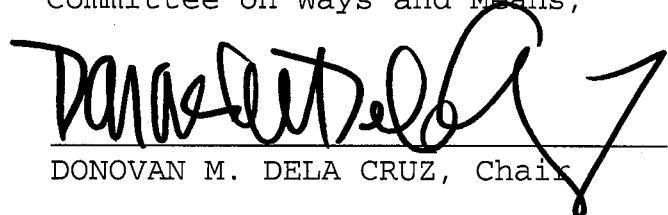


addition to the positions authorized for that program in the General Appropriations Act of 2019 and clarifying that any incumbent employee shall retain that employee's civil service status, salary, seniority, retention points, prior service credit, earned vacation and sick leave, and other rights, benefits, and privileges, in accordance with state personnel laws;

- (3) Inserting a provision authorizing the position ceilings and funds appropriated by the measure to be transferred to the General Appropriations Act of 2019 for program execution and expenditure;
- (4) Changing the amount appropriated to the Auditor from an unspecified sum to \$100,000;
- (5) Providing that the appropriation to the Auditor shall be used to contract with an accounting firm to conduct a financial audit, rather than a performance audit, of the Agribusiness Development Corporation;
- (6) Appropriating \$20,000 for fiscal year 2019-2020 for an environmental assessment and appraisal of the property identified as TMK (1) 9-2-001:011-0000; and
- (7) Changing the effective date from July 1, 2019, to June 28, 2019.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1561, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1561, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



Record of Votes
Committee on Ways and Means
WAM

*Only one measure per Record of Votes